

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 1041

91ST GENERAL ASSEMBLY

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Reported from the Committee on Local Government and Economic Development, April 25, 2002, with recommendation that the Senate Committee Substitute do pass.

2355S.03C

TERRY L. SPIELER, Secretary.

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## AN ACT

To repeal sections 67.1360, 92.327, 92.336, 94.875 and 620.467, RSMo, relating to tourism, and to enact in lieu thereof five new sections relating to the same subject.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

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Section A. Sections 67.1360, 92.327, 92.336, 94.875 and 620.467, RSMo, are  
2 repealed and five new sections enacted in lieu thereof, to be known as sections 67.1360,  
3 92.327, 92.336, 94.875 and 620.467, to read as follows:

67.1360. The governing body of:

2 (1) A city with a population of more than seven thousand and less than seven  
3 thousand five hundred;

4 (2) A county with a population of over nine thousand six hundred and less than  
5 twelve thousand which has a total assessed valuation of at least sixty-three million  
6 dollars, if the county submits the issue to the voters of such county prior to January 1,  
7 2003;

8 (3) A third class city which is the county seat of a county of the third  
9 classification without a township form of government with a population of at least  
10 twenty-five thousand but not more than thirty thousand inhabitants;

11 (4) Any fourth class city having, according to the last federal decennial census,  
12 a population of more than one thousand eight hundred fifty inhabitants but less than one  
13 thousand nine hundred fifty inhabitants in a county of the first classification with a  
14 charter form of government and having a population of greater than six hundred  
15 thousand but less than nine hundred thousand inhabitants;

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

16           (5) Any city having a population of more than three thousand but less than eight  
17 thousand inhabitants in a county of the fourth classification having a population of  
18 greater than forty-eight thousand inhabitants;

19           (6) Any city having a population of less than two hundred fifty inhabitants in a  
20 county of the fourth classification having a population of greater than forty-eight  
21 thousand inhabitants;

22           (7) Any fourth class city having a population of more than two thousand five  
23 hundred but less than three thousand inhabitants in a county of the third classification  
24 having a population of more than twenty-five thousand but less than twenty-seven  
25 thousand inhabitants;

26           (8) Any third class city with a population of more than three thousand two  
27 hundred but less than three thousand three hundred located in a county of the third  
28 classification having a population of more than thirty-five thousand but less than  
29 thirty-six thousand;

30           (9) Any county of the second classification without a township form of  
31 government and a population of less than thirty thousand;

32           (10) Any city of the fourth class in a county of the second classification without  
33 a township form of government and a population of less than thirty thousand;

34           (11) Any county of the third classification with a township form of government  
35 and a population of at least twenty-eight thousand but not more than thirty thousand;

36           (12) Any city of the fourth class with a population of more than one thousand  
37 eight hundred but less than two thousand in a county of the third classification with a  
38 township form of government and a population of at least twenty-eight thousand but not  
39 more than thirty thousand;

40           (13) Any city of the third class with a population of more than seven thousand  
41 two hundred but less than seven thousand five hundred within a county of the third  
42 classification with a population of more than twenty-one thousand but less than  
43 twenty-three thousand;

44           (14) Any fourth class city having a population of more than two thousand eight  
45 hundred but less than three thousand one hundred inhabitants in a county of the third  
46 classification with a township form of government having a population of more than  
47 eight thousand four hundred but less than nine thousand inhabitants;

48           (15) Any fourth class city with a population of more than four hundred seventy  
49 but less than five hundred twenty inhabitants located in a county of the third  
50 classification with a population of more than fifteen thousand nine hundred but less than  
51 sixteen thousand inhabitants;

52           (16) Any third class city with a population of more than three thousand eight  
53 hundred but less than four thousand inhabitants located in a county of the third  
54 classification with a population of more than fifteen thousand nine hundred but less than  
55 sixteen thousand inhabitants;

56           (17) Any fourth class city with a population of more than four thousand three  
57 hundred but less than four thousand five hundred inhabitants located in a county of the  
58 third classification without a township form of government with a population greater  
59 than sixteen thousand but less than sixteen thousand two hundred inhabitants;

60           (18) Any fourth class city with a population of more than two thousand four  
61 hundred but less than two thousand six hundred inhabitants located in a county of the  
62 first classification without a charter form of government with a population of more than  
63 fifty-five thousand but less than sixty thousand inhabitants;

64           (19) Any fourth class city with a population of more than two thousand five  
65 hundred but less than two thousand six hundred inhabitants located in a county of the  
66 third classification with a population of more than nineteen thousand one hundred but  
67 less than nineteen thousand two hundred inhabitants;

68           (20) Any county of the third classification without a township form of government  
69 with a population greater than sixteen thousand but less than sixteen thousand two  
70 hundred inhabitants; [or]

71           (21) Any county of the second classification with a population of more than  
72 forty-four thousand but less than fifty thousand inhabitants; **or**

73           **(22) Any third class city with a population of more than nine thousand**  
74 **five hundred but less than nine thousand seven hundred inhabitants located**  
75 **in a county of the first classification without a charter form of government**  
76 **and with a population of more than one hundred ninety-eight thousand but**  
77 **less than one hundred ninety-eight thousand two hundred inhabitants;**

78 may impose a tax on the charges for all sleeping rooms paid by the transient guests of  
79 hotels, motels, bed and breakfast inns and campgrounds and any docking facility which  
80 rents slips to recreational boats which are used by transients for sleeping, which shall  
81 be at least two percent, but not more than five percent per occupied room per night,  
82 except that such tax shall not become effective unless the governing body of the city or  
83 county submits to the voters of the city or county at a state general, primary or special  
84 election, a proposal to authorize the governing body of the city or county to impose a tax  
85 pursuant to the provisions of this section and section 67.1362. The tax authorized by  
86 this section and section 67.1362 shall be in addition to any charge paid to the owner or  
87 operator and shall be in addition to any and all taxes imposed by law and the proceeds

88 of such tax shall be used by the city or county solely for funding the promotion of  
89 tourism. Such tax shall be stated separately from all other charges and taxes.

92.327. 1. Any city may submit a proposition to the voters of such city:

2 (1) A tax not to exceed [six] **seven** and one-half percent of the amount of sales  
3 or charges for all sleeping rooms paid by the transient guests of hotels, motels and  
4 tourist courts situated within the city involved, and doing business within such city  
5 (excluding sales tax); and

6 (2) A tax not to exceed [one and three-fourths] **two** percent of the gross receipts  
7 derived from the retail sales of food by every person operating a food establishment.

8 2. Such taxes shall be known as the "convention and tourism tax" and when  
9 collected shall be deposited by the city treasurer in a separate fund to be known as the  
10 "Convention and Tourism Fund". The governing body of the city shall appropriate from  
11 the convention and tourism fund as provided in sections 92.325 to 92.340.

92.336. The revenues received from the tax authorized under sections 92.325 to  
2 92.340 shall be used exclusively for the advertising and promotion of convention and  
3 tourism business **and international trade** for the city from which it is collected,  
4 subject to the following requirements:

5 (1) Not less than forty percent of the proceeds of any tax imposed pursuant to  
6 subdivision (1) of section 92.327 shall be appropriated and paid to a general not for profit  
7 organization, with whom the city has contracted, and which is incorporated in the state  
8 of Missouri and located within the city limits of such city, established for the purpose of  
9 promoting such city as a convention, visitors and tourist center with the balance to be  
10 used for operating expenses and capital expenditures, including debt service, for sports,  
11 convention, exhibition, trade and tourism facilities located within the city limits of the  
12 city;

13 (2) Not less than ten percent of the proceeds of any tax imposed pursuant to  
14 subdivision (1) of section 92.327 shall be appropriated to a fund that hereby shall be  
15 established and called the "Neighborhood Tourist Development Fund". Such moneys  
16 from said funds shall be paid to not-for-profit neighborhood organizations with whom the  
17 city has contracted, and which are incorporated in the state of Missouri and located  
18 within the city limits of such city established for the purpose of promoting such  
19 neighborhood through cultural, social, ethnic, historic, educational, and recreational  
20 activities in conjunction with promoting such city as [a] **an international trade**,  
21 convention, visitors and tourist center;

22 (3) The proceeds of any tax imposed pursuant to subdivision (2) of section 92.327  
23 shall be used by the city only for capital expenditures, including debt service, for sports,

24 convention, exhibition, trade and tourism facilities located within the city limits of the  
25 city.

94.875. All taxes authorized and collected under sections 94.870 to 94.881 shall  
2 be deposited by the political subdivision in a special trust fund to be known as the  
3 "Tourism Tax Trust Fund". The moneys in such tourism tax trust fund shall not be  
4 commingled with any other funds of the political subdivision **except as specifically**  
5 **provided herein**. The taxes collected shall be used, upon appropriation by the political  
6 subdivision, solely for the purpose of constructing, maintaining, or operating convention  
7 and tourism facilities, and at least twenty-five percent of such taxes collected shall be  
8 used for tourism marketing and promotional purposes; **except that in any city with**  
9 **a population of less than one thousand five hundred inhabitants, forty**  
10 **percent of such taxes collected may be transferred to such city's general**  
11 **revenue fund and the remaining thirty-five percent may be used for city**  
12 **capital improvements, pursuant to voter approval**. The moneys in the tourism  
13 tax trust fund of any city with a population of at least fifteen thousand located partially  
14 but not wholly within a county of the third classification with a population of at least  
15 thirty-nine thousand inhabitants shall be used solely for tourism marketing and  
16 promotional purposes. The tax authorized by section 94.870 shall be in addition to any  
17 and all other sales taxes allowed by law, but no ordinance or order imposing a tax under  
18 section 94.870 shall be effective unless the governing body of the political subdivision  
19 submits to the voters of the political subdivision at a municipal or state general,  
20 primary, or special election a proposal to authorize the governing body of the political  
21 subdivision to impose such tax.

620.467. 1. The state treasurer shall annually [transfer] **deposit** an amount  
2 prescribed in this section out of the general revenue fund pursuant to section 144.700,  
3 RSMo, in a fund hereby created in the state treasury, to be known as the "Division of  
4 Tourism Supplemental Revenue Fund". The state treasurer shall administer the fund,  
5 and the moneys in such fund, except the appropriate percentage of any refund made of  
6 taxes collected under the provisions of chapter 144, RSMo, shall be used solely by the  
7 division of tourism of the department of economic development to carry out the duties  
8 and functions of the division as prescribed by law. Moneys [transferred to] **deposited**  
9 **in** the division of tourism supplemental revenue fund shall be in addition to a budget  
10 base in each fiscal year **and shall not be appropriated for any other purpose**. For  
11 fiscal year 1994, such budget base shall be six million two hundred thousand dollars, and  
12 in each succeeding fiscal year the budget base shall be the prior fiscal year's general  
13 revenue base plus any additional appropriations made to the division of tourism,

14 including one hundred percent of the prior fiscal year's [transfers] **deposits** made to the  
15 division of tourism supplemental revenue fund pursuant to this section. The general  
16 revenue base shall decrease by ten percent in each fiscal year following fiscal year  
17 1994. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys  
18 in the division of tourism supplemental revenue fund at the end of any biennium shall  
19 not be [transferred] **deposited** to the credit of the general revenue fund.

20         2. In fiscal years 1995 to 2010, a portion of general revenue determined pursuant  
21 to this subsection, shall be [transferred] **deposited** to the credit of the division of  
22 tourism supplemental revenue fund pursuant to subsection 1 of this section. The  
23 director of revenue shall determine the amount [transferred] **deposited** to the credit of  
24 the division of tourism supplemental revenue fund in each fiscal year by computing the  
25 previous year's total appropriation into the division of tourism supplemental revenue  
26 fund and adding to such appropriation amount the total amount derived from the retail  
27 sale of tourist-oriented goods and services collected pursuant to the following sales taxes:  
28 state sales taxes; sales taxes collected pursuant to sections 144.010 to 144.430, RSMo,  
29 that are designated as local tax revenue to be deposited in the school district trust fund  
30 pursuant to section 144.701, RSMo; sales taxes collected pursuant to section 43(a) of  
31 article IV of the Missouri Constitution; and sales taxes collected pursuant to section  
32 47(a) of article IV of the Missouri Constitution. If the increase in such sales taxes  
33 derived from the retail sale of tourist-oriented goods and services in the fiscal year three  
34 years prior to the fiscal year in which each [transfer] **deposit** shall be made is at least  
35 three percent over such sales taxes derived from the retail sale of tourist-oriented goods  
36 and services generated in the fiscal year four years prior to the fiscal year in which each  
37 [transfer] **deposit** shall be made, an amount equal to one-half of such sales taxes  
38 generated above a three percent increase shall be calculated by the director of revenue  
39 and the amount calculated shall be [transferred] **deposited** by the state treasurer to  
40 the credit of the division of tourism supplemental revenue fund.

41         3. Total [transfers to] **deposits in** the supplemental revenue fund in any fiscal  
42 year pursuant to subsections 1 and 2 of this section shall not exceed the amount  
43 [transferred] **deposited** into the division of tourism supplemental revenue fund in the  
44 fiscal year immediately preceding the current fiscal year by more than three million  
45 dollars.

46         4. As used in this section, "sales of tourism-oriented goods and services", are  
47 those sales by businesses registered with the department of revenue under the following  
48 SIC Codes:

49             (1) SIC Code 5811;

- 50 (2) SIC Code 5812;
- 51 (3) SIC Code 5813;
- 52 (4) SIC Code 7010;
- 53 (5) SIC Code 7020;
- 54 (6) SIC Code 7030;
- 55 (7) SIC Code 7033;
- 56 (8) SIC Code 7041;
- 57 (9) SIC Code 7920;
- 58 (10) SIC Code 7940;
- 59 (11) SIC Code 7990;
- 60 (12) SIC Code 7991;
- 61 (13) SIC Code 7992;
- 62 (14) SIC Code 7996;
- 63 (15) SIC Code 7998;
- 64 (16) SIC Code 7999; and
- 65 (17) SIC Code 8420.

66 5. Prior to each appropriation from the division of tourism supplemental revenue  
67 fund, the division of tourism shall present to the committee on tourism, recreational and  
68 cultural affairs of the house of representatives and to the transportation and tourism  
69 committee of the senate, or their successors, a promotional marketing strategy including,  
70 but not limited to, targeted markets, duration of market plans, ensuing market  
71 strategies, and the actual and estimated investment return, if any, resulting therefrom.

72 6. This section shall become effective July 1, 1994. This section shall expire June  
73 30, 2010.

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